

# \$159,000,000 DROP IN REVENUE IN YEAR

## Treasury Reports a Decline of \$117,941,695 in 77 Days, as Compared With 1929.

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## EXPENSES ROSE \$41,694,142

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## Average Daily Loss of \$2,000,- 000 Seems Likely to End Hope of Keeping Tax Cut.

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## IMPROVED TREND EXPECTED

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## Department Believes Continuance of Decrease in Customs Receipts Is Improbable.

*Special to The New York Times.*  
WASHINGTON, Sept. 17.—Loss of ground by the administration in its efforts to keep its finances in such condition as to permit the continuance of the 1 per cent reduction on normal income taxes after Dec. 31 was shown in treasury figures for the first seventy-seven days of the fiscal year 1931, made available today.

The net loss in the seventy-seven days, as compared with one year ago, was \$159,635,837, brought about by a loss of \$117,941,695 in revenue and an increase of \$41,694,142 in expenses.

On Sept. 11, for which date a recapitulation was made by THE TIMES, the net loss for seventy-three days of the fiscal year was \$135,270,269, made up of a decrease of \$96,108,005 in revenues and an increase of \$39,162,264 in expenses.

On the basis of the Sept. 15 figures, the treasury suffered an average daily net loss of about \$6,000,000 between Sept. 11 and 15, and of more than \$2,000,000 for the first seventy-seven days of the fiscal year 1931, as compared with its position in the same days in the previous year. As Sept. 15, 1929, fell on Sunday, the period covered last year was one day shorter, but this would not sharply affect the net loss.

That this rate will continue throughout the fiscal year 1931 is believed unlikely, as the treasury suffered severe losses in customs collections from Jan. 1 to June 30, 1930, the last six months of the fiscal year 1930, which officials are confident will not be faced in the period from Jan. 1 to June 30, 1931. In fact, they are confident that the customs collections in the last six months of the current fiscal year will considerably exceed those for the last six months of the fiscal year 1930, particularly if there is a sharp upturn of industrial activity, which will call for large importations of raw materials and also increase the purchasing power of the nation's population by providing fuller employment.

### Income Tax Causes Worry.

The real worry on the part of experts now is that income tax collections will be greatly reduced in the period from Jan. 1 to June 30, 1931, even if the 1 per cent tax reduction should not be continued, for income taxes paid in that period will be assessed against corporate and individual incomes received in the calendar year 1930, during which many corporations have reduced or omitted dividends and suffered sharp curtailments of earnings, and individual incomes, because of unemployment and curtailed dividend payments, probably have shrunk sharply.

The income taxes which were paid in the last half of the fiscal year 1930 and those for the first half of the fiscal year 1931 were assessed against incomes for the calendar year 1929, which was one of exceptional prosperity and high earnings by corporations, despite the break in the security markets late in October.

Experts are not making any estimates officially as to the income tax payments which they expect to receive from Jan. 1 to June 30, 1931, but there is no effort to hide the fact that they are fearful that they will be considerably lower than those received during the same period one year ago, especially if the 1 per cent tax reduction program is continued.

### Fall in Customs a Factor.

The net loss of \$159,635,837 during the first seventy-seven days of the current fiscal year was caused chiefly by decrease in receipts of customs and income taxes. The former fell to \$74,944,738 in the period this year, as compared with \$135,343,611 in the same days a year ago, a loss of \$60,398,873, while the latter totaled but \$110,104,963 as compared with \$147,889,385 one year ago, the loss being largely due to a shrinkage in back tax collections. All miscellaneous collections also fell about \$8,000,000.

For the first fifteen days of September alone customs collections, at \$16,662,400, were slightly more than \$10,000,000 less than in the same days a year ago, and income tax collections at \$54,239,239 were a little more than \$26,000,000 lower.

By the purchase of an additional \$20,000,000 of government 3½ per cent notes for the sinking fund the treasury improved its debt reduction to that extent, the operations in this classification representing additional debt receipts of \$200,983,265 and expenditures to reduce the debt of \$220,336,768 during the seventy-seven days.

The treasury also made available today a recapitulation of expenditures during the period from July 1 to Aug. 31, 1930. This showed departmental expenditures of \$388,398,009, running approximately \$19,000,000 ahead of the same two months a year ago, and all expenses, exclusive of public debt, at \$483,395,771, about \$27,000,000 greater.